

## Appendix B

## Historical Statements of Fact

¶	Source	Statement (Emphasis in Complaint)
353	2008 Annual Report (SEC Form 20-F)	<p>There were five workforce fatalities in 2008, compared with seven in 2007. One resulted from fatal injuries sustained during operations at our Texas City refinery; one was the result of a fall from height at the Tangguh operations in Indonesia; one fatality was on a land farm near Texas City, and two were driving fatalities incidents in Mozambique and South Africa. . . . Our workforce reported recordable injury frequency, which measures the number of injuries per 200,000 hours worked, was 0.43 in 2008. This was a good improvement on the rate of 0.48 recorded in both 2007 and 2006.</p> <p style="text-align: center;">***</p> <p>Site visits, in which safety was a focus, were undertaken by the group chief executive (GCE) and members of the executive team to reinforce the importance of their commitment to safe and reliable operations.</p> <p style="text-align: center;">***</p> <p>[OMS] embraces recommendations made by the BP US Refineries Independent Safety Review Panel (the panel), which reported in January 2007 on safety management at our US refineries and our safety management culture.</p> <p style="text-align: center;">***</p> <p>Almost 1,000, around a third, of our front-line supervisors have started the Operating Essentials programme, which includes training on leadership, process safety, operating culture, practices and coaching and effective performance conversations.</p> <p>More than 190, around half, of our operations leaders started the Operations Academy programme in 2008. The academy, which has been established in partnership with the Massachusetts Institute of Technology (MIT), provides participants with a total of six weeks of operations training, concentrating on the management of change and continuous improvement.</p> <p>The Executive Operations programme, which seeks to increase insight into manufacturing and operation activities among senior business leaders, has built on its successful launch with the first group, which included the group chief executive and his executive team. By the end of 2008, 99 executives had attended the three-day programme.</p> <p>In addition, new cadres of projects and engineering staff have progressed through the Project and Engineering Academy at MIT and 13 process safety courses have been delivered for project and project engineering managers at the Project Management College. We have continued to develop training on hazard evaluation and risk assessment techniques for all engineers, operators and HSSE professionals.</p> <p style="text-align: center;">***</p> <p>[W]e have completed and learned from safety and operations audits, relocated workers to lower-risk accommodation and implemented fatigue reduction programmes.</p> <p style="text-align: center;">***</p> <p><b>We continued to build our team of safety and operations auditors. A team of 45 auditors is now in place, with 36 audits completed in 2008.</b></p> <p style="text-align: center;">***</p> <p>In addition to action in these areas, we have continued to participate in industry-wide forums on process safety and have made efforts to share our learning with other organizations.</p> <p>The independent expert has been tasked with reporting to the board on BP's progress in implementing the panel's recommendations. We welcome the independent expert's view expressed in his first report (May 2008) that BP appears to be making substantial progress in changing culture and addressing needed process safety improvements'. However, we also acknowledge his observation that 'a significant amount of work remains to be done on the process safety journey' and that 'successful completion of the task will require the continued support and involvement of the board, executive management, and refinery leadership along with a sustained effort over an extended period of time'.</p> <p style="text-align: center;">***</p> <p>We have met our commitment to remove occupied portable buildings (OPBs) from high-risk zones within onshore process plant areas and to remove all blow-down stacks in heavier-than-air, light hydrocarbon service. All major sites and our fuels value chains have completed major accident risk assessments, which identify major accident risks and develop mitigation plans to manage and respond to them.</p> <p style="text-align: center;">***</p>

## Appendix B

## Historical Statements of Fact

¶	Source	Statement (Emphasis in Complaint)
		<p>Leadership competency assessments, which involve assessment of the experience of BP management teams responsible for major production sites or manufacturing plant, have been completed in Exploration and Production and in all major Refining and Marketing manufacturing sites.</p> <p style="text-align: center;">***</p> <p>A total of 21 major incidents were reported in 2008. Two of the major incidents were related to hurricanes and eight were related to driving incidents.</p> <p>There were 335 oil spills of one barrel or more in 2008, similar to 2007 performance of 340 oil spills. The volume of oil spilled in 2008 was approximately 3.5 million litres, an increase of 2.5 million litres, compared with 2007. This was largely the result of two incidents, one at Texas City and one at the Whiting refinery, which accounted for two-thirds of the total reported volume of oil spilled, the great majority of which remained contained and the oil recovered.</p> <p style="text-align: center;">***</p> <p>We introduced several new metrics in 2008 that aim to enhance our monitoring of process safety performance within BP's operating entities. These include, for example, a process safety incident index, as recommended by the panel, which uses weighted severity scores to record and assess process safety events, and a measure to record any loss of hydrocarbon from primary containment.</p> <p style="text-align: center;">***</p> <p>To further enhance the management of health risks across the group, we began the systematic reporting of recordable illness rates within the HSE and Operations Integrity Report.</p> <p style="text-align: center;">***</p> <p>In the course of 2008, we defined health 'group essentials', which specify requirements designed to prevent harm to the health of employees, contractors, visitors and local communities. These were incorporated within the OMS framework. Our health strategy and plan was also refreshed in 2008.</p>
355	Initial Exploratory Plan for Mississippi Canyon Block 252	Factual statements describing BP's proposed operations at the site of the Macondo Well in a 52-page document attached to the Complaint as Exhibit B.
369	David Rainey testimony before the United States Senate Committee on Energy and Natural Resources	In the last five years, we have invested approximately \$35 billion in the US to ensure Americans have the energy and fuels they need to live their lives. These include: <b>Oil and natural gas</b> : Offshore and onshore, from the Alaskan North Slope to the deep waters of the US Gulf of Mexico, we are a leader in providing America's traditional energy needs.
371	David Rainey testimony before the United States Senate Committee on Energy and Natural Resources	<p><b><u>US Deepwater Gulf of Mexico</u></b></p> <p>Industry began to explore in the US Gulf of Mexico during the early 1930's. The first discovery out of site of land was made by Kerr McGee in 1947. The MMS classifies water depths greater than 1,000 feet as deepwater, and depths beyond 5,000 feet as ultra-deepwater. The first deepwater exploration well was drilled in 1975. The first ultra-deepwater exploration well was drilled in 1987. So, while it took more than 40 years for industry to develop the technology to move from the shoreline to 1,000 feet water depth, it took just 12 years to move from 1,000 feet to 5,000 feet. Wells in water depths up to 10,000 feet are now routine.</p> <p>In the US Gulf of Mexico, shallow salt canopies underlie about 65 percent of the seabed in the deepwater areas. These salt canopies make seismic imaging of the subsurface very challenging. . .</p> <p>Early exploration in the US Deepwater Gulf of Mexico was focused on the 35 percent of the area which has no salt canopy. Without the salt, conventional seismic imaging worked and fields were discovered as the advances in drilling technology enabled industry to move rapidly into the deepwater. Much of the success in this period was enabled by widely-spaced two dimensional seismic data. The technology challenge was about developing the systems to safely produce the oil and gas in these water depths. Our colleagues in Shell were at the forefront of this phase of Gulf of Mexico development.</p> <p>By the mid-1990's, the large fields had been found in the areas of the deepwater free of shallow salt canopies. This led industry to turn its attention to the challenge of exploring below the salt. To do this, we matured a technology known as seismic depth imaging. This technology combines geological modeling and computer algorithms to restore the seismic wave paths to their correct positions-allowing the image to emerge.</p>

## Appendix B

## Historical Statements of Fact

¶	Source	Statement (Emphasis in Complaint)
		<p>By the late 1990's, depth imaging allowed the industry to begin to explore beneath the salt. These early forays were restricted to areas where the top and base of the salt were geometrically simple and the imaging problem was, from where we stand today, relatively easy to solve. BP's Mad Dog, Atlantis, and Thunder Horse discoveries were delivered on the back of this technology in 1998 and 1999. Since then, we have continued to refine the technology and have been able to announce a steady stream of discoveries – most recently Kaskida in 2006, Isabela in 2007, Kodiak and Freedom in 2008, and this year Mad Dog South and Tiber.</p> <p>In 2003, BP began to address the problem of how we would explore under more complex salt geometries. We predicted that continuing incremental improvements to what was then considered conventional; depth imaging methods would soon reach a point of diminishing returns. So we set out to create a step change by developing a completely new seismic imaging technology.</p> <p>Conventional depth imaging is a data processing technology which involves some of the most sophisticated computer algorithms ever created. These algorithms require powerful super-computers to run them. However, the underlying data were acquired using a technology which had not changed significantly for 25 years. The data were acquired using a single seismic vessel towing both the seismic source and the receivers. Effectively, therefore, the data were acquired in two dimensions, but at sufficiently close spacing to allow processing in three dimensions.</p> <p>BP's Wide Azimuth Towed Streamer (WATS) and Ocean Bottom Node technologies involve truly three-dimensional seismic acquisition. They were conceptualized, modeled, and piloted at scale in the US Deepwater Gulf of Mexico. The WATS pilot was on our Mad Dog Field, and the Nodes pilot was on Atlantis. At Mad Dog, the WATS data have contributed significantly to our ability to continue to develop the field. The successful Mad Dog South appraisal well which we announced in July of this year was enabled by these data. At Atlantis, development of the North Flank of the field has been enabled through the application of nodes technology and production has begun.</p> <p style="text-align: center;">***</p> <p>I have mentioned above how drilling technology advanced to allow us to drill in deep and ultra-deep waters. As discoveries were made, production technology followed. A variety of production systems have been developed to account for the different metocean, seabed, and reservoir conditions.</p> <p>BP has been at the forefront of this recent phase of deepwater development. Today, we operate eight major producing facilities in the US Deepwater Gulf of Mexico. They range from the Pompano fixed platform, installed in 1994 in 1,300 feet of water, to the Atlantis semi-submersible platform, which started production in 2007 and sits in 7,100 feet of water. In between lie:</p> <ul style="list-style-type: none"> <li>• The Marlin tension leg platform in 3,234 feet of water;</li> <li>• The Holstein, Mad Dog, and Horn Mountain spar facilities in 4,344, 4500 and 5,422 feet of water, respectively; and</li> <li>• The Thunder Horse and Nakika semi-submersible platforms in 6,050 feet and 6,340 feet of water, respectively;</li> </ul> <p>Today Atlantis is the world's deepest oil production facility, an honor previously held by both Horn Mountain and Nakika, when they began production.</p> <p>In addition to enabling the industry to move into ever deeper waters, the drilling envelope has been extended by advances in directional and extended reach drilling. The Nakika development is an example of where these technologies have been combined with subsea production technology to bring six otherwise uneconomic discoveries to production. These independent, medium-sized fields are tied back to the centrally-located semi-submersible production host facility. Distance from the central host varies from five to 26 miles. By combining directional and extended reach drilling with subsea production systems, the environmental footprint has been reduced by requiring only one surface facility, where previously six would have been needed.</p>

## Appendix B

## Historical Statements of Fact

¶	Source	Statement (Emphasis in Complaint)
		<p>This month marks the tenth anniversary of our Marlin oil and gas hub. As the Marlin Field has declined, a series of satellite fields have been tied back using subsea production technology. In total, five satellite fields have been tied back, with distance from the host ranging from two miles to 18 miles. This year, the Dorado and King South satellite fields have been brought on line. These tiebacks have returned the facility to a second peak of production – a very rare occurrence in our industry. Again, the combination of directional and extended reach drilling and subsea production technology has enabled multiple fields to be developed from a single host platform. The environmental footprint has been reduced and the useful life of the facility has been extended.</p> <p style="text-align: center;">***</p> <p>In the mid-1990's, drilling was restricted to roughly 20,000 feet total depth.</p> <p style="text-align: center;">***</p> <p>Finally, we have recently announced our Tiber discovery – which was at the time of rig release the deepest well in the history of the oil and gas industry at 35,055 feet.</p>
376	2009 Annual Review	Replacement cost profit for the year was \$14 billion, with a return on average capital employed of 11%. . . . Reported production grew by 4% and unit production costs were down by 12%. . . . In the Gulf of Mexico, we ramped up production at Thunder Horse to more than 300,000 barrels of oil equivalent per day. Production started from Atlantis Phase 2, Dorado and King South. And in September we announced the Tiber discovery, the deepest oil and gas discovery well ever drilled.
380	2009 Annual Review	2009 brought further improvement in personal safety with the segment's reported recordable injury frequency improving from 0.43 in 2008 to 0.39 in 2009. We also achieved improvements in the number of process safety-related incidents and a significant reduction in the number of spills. . . . By the end of 2009, 87% of our operating sites had transitioned to OMS.
381	2009 Annual Review	Thunder Horse is now the largest single producing field in the Gulf of Mexico. Fully operational and performing beyond expectations, it has enabled us to grow our Gulf of Mexico production from 240,000 barrels of oil equivalent per day in 2007 to more than 400,000 barrels of oil equivalent per day in 2009."
385	2009 Annual Review	Graph depicting "[t]he reduction in the number of oil spills" from 2007 to 2009.
387	2010 Strategy Presentation	[Slide] Graph depicting "2009 net production" from deepwater fields for various oil companies.
390	2010 Strategy Presentation	[Slide] Graphs depicting "Recordable Injury Frequency," "Integrity Management Major Incidents, and "Loss of Primary Containment Incidents" for various periods between 2000 and 2009.
397	2009 Annual Report (SEC Form 20-F)	<ul style="list-style-type: none"> <li>● In May 2009, BP announced it had begun production from the Dorado (BP 75% and operator) and King South (BP 100%) projects.</li> </ul> <p style="text-align: center;">***</p> <ul style="list-style-type: none"> <li>● In June 2009, the Atlantis Phase 2 (BP 56%) project achieved first oil ahead of schedule, signaling the official start-up.</li> <li>● In July 2009, BP announced the drilling of a successful appraisal well in a previously untested southern segment of the Mad Dog field (BP 60.5% and operator). The 826-5 well is located in the Green Canyon block 826, approximately 100 miles south of Grand Isle, Louisiana, in about 5,100 feet of water.</li> </ul> <p style="text-align: center;">***</p> <ul style="list-style-type: none"> <li>● In September 2009, BP announced the Tiber discovery in the deepwater Gulf of Mexico (BP 62% and operator). The discovery well, located in Keathley Canyon block 102, approximately 250 miles south-east of Houston, is in 4,132 feet of water. It was drilled to a total depth of approximately 35,055 feet making it the deepest oil and gas discovery well ever drilled. The well found oil in multiple Lower Tertiary reservoirs.</li> </ul>

## Appendix B

## Historical Statements of Fact

¶	Source	Statement (Emphasis in Complaint)
399	2009 Annual Report (SEC Form 20-F)	<p>In 2009, a third-party-operated helicopter carrying contractors from BP's Miller platform crashed in the North Sea resulting in the tragic loss of 16 lives. In addition, BP sustained two fatalities within our own operations, one, when a rig worker was lost overboard during drilling operations in Azerbaijan and a second, in a crush injury on a well pad in Alaska.</p> <p style="text-align: center;">***</p> <p>In 2009, BP's safety record continued to improve, as indicated by measures of personal safety including reported recordable injury frequency (RIF) and days away from work case frequency (DAFWC).</p> <p>Our overall RIF of 0.34 was significantly lower than the rate of 0.43 in 2008 and 0.48 in 2007. Our DAFWCF was 0.069, an improvement on the level of 0.080 in 2008.</p> <p>In 2009, eight work-related major incidents were reported, compared with 21 in 2008.</p> <p style="text-align: center;">***</p> <p>There were 234 oil spills of one barrel or more reported in 2009, a significant reduction on the 335 spills that occurred in 2008. The reported volume of oil spilled in 2009 was approximately 1,191 million litres, a reduction of 65% compared with 2008.</p> <p style="text-align: center;">***</p> <p>More than 2,700 front-line operational leaders across our global operations have started one or more of the modules within the Operating Essentials programme which seeks to embed the BP way of operating as defined by OMS. Our Operations Academy (OA), a partnership with the Massachusetts Institute of Technology (MIT), is also now well established. Seven cadres of senior operations staff have already attended this academy and three of these have graduated. . . .</p> <p style="text-align: center;">***</p> <p>In accordance with those recommendations, we appointed an Independent Expert for a five year term to monitor their implementation. We again co-operated closely with the Independent Expert in 2009, providing him access to our sites, personnel and documentation and routinely supplying him with progress reports. In the Independent Expert's second annual report, published in 2009, he acknowledged BP's sustained focus on its safety and operations agenda and the priority given by executive management and the board to safe, reliable and responsible operations. The report identified areas for continued focus and highlighted the progress made in several areas, including the development of capability programmes, OMS implementation, safety and operations auditing, and the improvement of metrics to monitor process safety performance.</p> <p style="text-align: center;">***</p> <p>By the end of 2009 our safety and operations audit team had audited a total of 94 BP businesses, including all major operating sites, within a three-year period.</p> <p style="text-align: center;">***</p> <p>We also participated in industry-wide forums on process safety. We chaired the API/ANSI multi-stakeholder group developing a standard for public reporting of leading and lagging process safety indicators. Through this and other bodies, we shared our learning with other organizations within and outside the oil and gas industry.</p>
408	2009 Sustainability Review	<p>I'm proud that our injury rates have come down around 75% in the past decade.</p> <p style="text-align: center;">***</p> <p>Recent innovations include new technologies to increase recovery from mature oil fields and advanced seismic techniques that create highly detailed images of reservoir formations miles below the surface. One of our recent finds, the Tiber field in the <b>Gulf of Mexico</b>, was made by drilling a well 31,000 feet into the earth in water 4,000 feet deep.</p>

**Appendix B****Historical Statements of Fact**

¶	Source	Statement (Emphasis in Complaint)
410	2009 Sustainability Report	<p>To measure how effectively we have embedded our safety message in the organization, we assess employee views on various dimensions of safety within the 'Pulse plus' survey.</p> <p>Responses suggest continued progress in integrating safety into our business, with 98% of those surveyed saying they know how to do their job safely. Positive responses have also been received to questions regarding confidence in line management making safety a priority (82% compared with 80% in 2008), being open to suggestions for improving safety performance (87%, from 81% in 2008) and being receptive to honest information about safety (98% versus 97% in 2008). In a new question on whether employees have seen evidence that BP is making progress in improving the safety and reliability of its operations, 76% gave a positive response.</p> <p style="text-align: center;">***</p> <p>● <b>Safety and Operations Audits</b></p> <p>To date, more than 10,000 actions have been generated, of which more than 70% have been verified as closed.</p> <p>We've developed the audit process and protocols to enable auditing against the requirements in our operating management system (OMS). We've also developed and delivered a training programme to prepare auditors for auditing against OMS and its associated practices and are completing the modification of all relevant information management systems.</p> <p>Our safety and operations audit team, which is independent from the businesses they review, has, as planned, identified key sites and audited their performance. In the three-year period to the end of 2009, the team completed a full cycle of audits, covering 94 BP operations.</p>